

Exhibit D

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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 1-9924

Citigroup Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

52-1568099

(I.R.S. Employer Identification No.)

399 Park Avenue, New York, New York

(Address of principal executive offices)

10043

(Zip Code)

(212) 559-1000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

Common stock outstanding as of September 30, 2008: 5,449,539,904

CITIGROUP DERIVATIVES

Notionals(1)

<i>In millions of dollars</i>	Trading derivatives(2)		Asset/liability management hedges(3)	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Interest rate contracts				
Swaps	\$16,581,844	\$16,433,117	\$ 778,256	\$ 521,783
Futures and forwards	2,953,595	1,811,599	164,513	176,146
Written options	3,417,946	3,479,071	28,470	16,741
Purchased options	3,516,775	3,639,075	83,731	167,080
Total interest rate contract notionals	\$26,470,160	\$25,362,862	\$1,054,970	\$ 881,750
Foreign exchange contracts				
Swaps	\$ 947,800	\$ 1,062,267	\$ 64,131	\$ 75,622
Futures and forwards	2,760,597	2,795,180	45,167	46,732
Written options	644,152	653,535	6,509	292
Purchased options	651,239	644,744	1,038	686
Total foreign exchange contract notionals	\$ 5,003,788	\$ 5,155,726	\$ 116,845	\$ 123,332
Equity contracts				
Swaps	\$ 142,569	\$ 140,256	\$ —	\$ —
Futures and forwards	24,030	29,233	—	—
Written options	848,644	625,157	—	—
Purchased options	806,346	567,030	—	—
Total equity contract notionals	\$ 1,821,589	\$ 1,361,676	\$ —	\$ —
Commodity and other contracts				
Swaps	\$ 44,734	\$ 29,415	\$ —	\$ —
Futures and forwards	100,212	66,860	—	—
Written options	32,480	27,087	—	—
Purchased options	37,076	30,168	—	—
Total commodity and other contract notionals	\$ 214,502	\$ 153,530	\$ —	\$ —
Credit derivatives(4)				
Citigroup as the Guarantor:				
Credit default swaps	\$ 1,575,754	\$ 1,755,440	\$ —	\$ —
Total return swaps	2,048	12,121	—	—
Credit default options	581	276	—	—
Citigroup as the Beneficiary:				
Credit default swaps	\$ 1,672,042	\$ 1,890,611	\$ —	\$ —
Total return swaps	40,257	15,895	—	—
Credit default options	742	450	—	—
Total credit derivatives	\$ 3,291,424	\$ 3,674,793	\$ —	\$ —
Total derivative notionals	\$36,801,463	\$35,708,587	\$1,171,815	\$1,005,082

[Table continues on the following page.]

Mark-to-Market (MTM) Receivables/Payables

<i>In millions of dollars</i>	Derivatives receivables—MTM		Derivatives payables—MTM	
	September 30, 2008	December 31, 2007	September 30, 2008	December 31, 2007
Trading Derivatives(2)				
Interest rate contracts	\$ 285,307	\$ 269,400	\$ 286,838	\$ 257,329
Foreign exchange contracts	123,328	77,942	115,397	71,991
Equity contracts	35,487	27,934	63,889	66,916
Commodity and other contracts	17,310	8,540	17,444	8,887
Credit derivatives:				
Citigroup as the Guarantor	3,831	4,967	144,400	73,103
Citigroup as the Beneficiary	162,161	78,426	4,426	11,191
Total	\$ 627,424	\$ 467,209	\$ 632,394	\$ 489,417
Less: Netting agreements, cash collateral and market value adjustments	(534,516)	(390,328)	(529,033)	(385,876)
Net Receivables/Payables	\$ 92,908	\$ 76,881	\$ 103,361	\$ 103,541
Asset/Liability Management Hedges(3)				
Interest rate contracts	\$ 4,896	\$ 8,529	\$ 3,780	\$ 7,176
Foreign exchange contracts	2,451	1,634	971	972
Total	\$ 7,347	\$ 10,163	\$ 4,751	\$ 8,148

- (1) Includes the notional amounts for long and short derivative positions.
- (2) Trading derivatives include proprietary positions, as well as certain hedging derivatives instruments that qualify for hedge accounting in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133).
- (3) Asset/Liability Management Hedges include only those end-user derivative instruments where the changes in market value are recorded in Other assets or Other liabilities.
- (4) Credit Derivatives are arrangements designed to allow one party (the "protection buyer") to transfer the credit risk of a "reference borrower" or "reference asset" to another party (the "protection seller"). These arrangements allow a protection seller to assume the credit risk associated with a reference borrower or reference asset. The Company has entered into credit derivatives positions for purposes such as risk management, yield enhancement, reduction of credit concentrations, and diversification of overall risk.

The market value adjustments applied by the Company consist of the following items:

- Liquidity adjustments are applied to items in Level 2 or Level 3 of the fair-value hierarchy (see note 17 on page 126 for more details) to ensure that the fair value reflects the price at which the entire position could be liquidated. The liquidity reserve is based on the bid/offer spread for an instrument, adjusted to take into account the size of the position.
- Counterparty credit-risk adjustments are applied to derivatives such as over-the-counter derivatives, where the base valuation uses market parameters based on the LIBOR interest rate curves. Not all counterparties have the same credit risk as that implied by the relevant LIBOR curve, so it is necessary to consider the market view of the credit risk of a counterparty in order to estimate the fair value of such an item.
- Bilateral or "own" credit-risk adjustments are applied to reflect the Company's own credit risk when valuing derivatives at fair value, in accordance with the requirements of SFAS 157. The methodology is consistent with that applied in determining counterparty credit-risk adjustments, but incorporates the Company's own credit risk as observed in the credit default swap market.

Counterparty and own credit adjustments consider the estimated future cash flows between Citi and its counterparties under the terms of the derivative instrument, and the effect of credit risk on the valuation of those cash flows, rather than a point-in-time assessment of the current recognized net asset or liability. Furthermore, the credit-risk adjustments take into

account the effect of credit-risk mitigants such as pledged collateral and any legal right of offset (to the extent such offset exists) with a counterparty through arrangements such as netting agreements. All or a portion of these credit value adjustments may be reversed or otherwise adjusted in future periods in the event of changes in the credit risk of Citi or its counterparties, changes in the credit mitigants associated with the derivative instruments, or, if such adjustments are not realized, upon settlement of the derivative instruments. A narrowing of Citigroup's credit spreads would generally adversely affect revenues.

The credit valuation adjustment (CVA) to the fair value of derivative instruments as of September 30, 2008 was as follows (in millions of dollars):

<u>Non-Monoline</u>			<u>Monoline</u>	
<u>Counterparty</u>	<u>Citigroup (Own)</u>	<u>Total</u>	<u>Counterparty</u>	<u>Total CVA</u>
<u>\$ (3,841)</u>	<u>\$ 4,494</u>	<u>\$653</u>	<u>\$ (4,564)</u>	<u>\$ (3,911)</u>